




2012 CalPERS Health Plan Design, Rate and Benefit Changes Webinar

CalPERS Preferred Provider Organization (PPO) Plan – Anthem Blue Cross




Preferred Provider Organization (PPO) Plan – Anthem Blue Cross

PPO Plan Options – Active Employees & Early Retirees

- PERSCare
 - Longest standing plan
- PERS Choice
 - Most popular plan by enrollment (90% of PPO enrollment)
 - Full Anthem Blue Cross PPO network access
- PERS Select
 - Plan introduced January 2008
 - Subset of Anthem Blue Cross PPO network
 - Same coverage as PERS Choice available, lowest premium

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PPO Plan Comparison: Similarities

- \$500 calendar year deductible
- \$20 office visit copay
- 100% routine/preventive coverage
- \$50 emergency room deductible
- Unlimited lifetime maximum coverage

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PPO Plan Comparison: Differences

- 90% coverage on PERSCare,
80% coverage on PERS Choice/Select
(after \$500 deductible)
- \$2000 PPO maximum out-of-pocket coinsurance
with PERSCare;
\$3000 PPO maximum out-of-pocket coinsurance
with PERS Choice and PERS Select

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How PPO Plan Works

- Services that do not apply to \$500 calendar year deductible:
 - Physician office visits
 - Routine/preventive visits
 - Prescriptions
- Deductible applies to other services
- Coinurance percentage applies towards
calendar year maximum out-of-pocket
- Services for non-participating providers are
reimbursed at 60%. The 40% coinsurance
does not apply towards maximum out of pocket.

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Example: How Copays and Deductibles Are Applied

Date of Service	Service Performed	Total Negotiated Charge	Member's Cost
January 10	Physician office visit (with dermatologist)	—	\$20 copay
January 17	Follow-up physician office visit; removal of mole (surgical procedure)	\$300	\$20 copay \$300 (credited toward deductible)
January 19	Pathology lab review of removed mole with pathologist MD opinion	\$200	\$200 (credited toward deductible. Deductible met for year.)
April 3	Physician office visit (with orthopedist) knee injury examination	—	\$20 copay
April 4	Physician ordered MRI on injured knee	\$800	\$160 (20% responsibility)


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Example: How Copays and Deductibles Are Applied
(cont'd)

Date of Service	Service Performed	Total Negotiated Charge	Member's Cost
April 10	Outpatient knee surgery; surgeon's charge	\$1,500	\$300 (20% responsibility)
April 10	Ambulatory surgical center charge	\$2,500	\$500 (20% responsibility)
May 30	Emergency triple by-pass surgery	\$60,000 Professional & hospital charges combined	\$2,040 (20% responsibility up to \$3,000; plan pays balance)
December	Annual physical	—	No charge


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2012 PPO Plans Medical Benefits Changes Summary

- Continuation of narrow hospital network (PERS Select plan) introduced in 2011
- Continuation of value based purchasing design for hip and knee joint replacement (all plans) introduced in 2011
- Addition of Value Based Site of Care (VBSOC) – new

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Introduction of Value Based Site of Care (VBSOC)

- Wide geographic & treatment cost variations for elective outpatient procedures
- Outpatient hospital setting more costly than ambulatory service center
- No benefit change when a participating ambulatory surgical center is used

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Value Based Site of Care (VBSOC) Threshold

- VBSOC establishes a payment threshold for targeted elective procedures when the service is received at an outpatient hospital
- Effective January 1, 2012, following VBSOC thresholds will apply:
 - Colonoscopy: \$1500 threshold
 - Cataract Surgery: \$2000 threshold
 - Arthroscopy: \$6000 threshold

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CalPERS Supplement to Medicare Plan


Deductibles

- Pays 100% of Medicare Part A (hospital benefits)
- Pays 100% of Medicare Part B (medical benefits)

Coinsurance

- Pays 100% of Medicare coinsurance

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Supplement to Original Medicare Payment

1. Provider participates in Medicare and accepts Medicare assignment. The total amount the member pays is \$0. Medicare-allowed amount is accepted as payment in full.

Example:

Provider bills	\$200
Medicare allows	\$100
Medicare pays	\$ 80
CalPERS supplement pays	\$ 20 (difference between Medicare & Medicare paid)
Member pays	\$ 0

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Supplement to Original Medicare Payment (cont'd)

2. Provider participates in Medicare but does not accept Medicare assignment.

Example:

Provider bills	\$200
Medicare allows	\$100
Medicare pays	\$ 80
CalPERS supplement pays	\$ 35
Member pays	\$ 85

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Supplement to Original Medicare Payment (cont'd)

3. Provider does not participate in Medicare and does not accept Medicare assignment. The total amount member pays will be what the provider bills.

Example:

Provider bills	\$200
Medicare allows	\$ 0
Medicare pays	\$ 0
CalPERS supplement pays	\$ 0
Member pays	\$200


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Finding a Provider

Visit www.anthem.com/ca/calpers
Click "Find a Doctor" link
Follow the prompts



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Website and Wellness Services

360 Health Services

- ConditionsCare: asthma, diabetes, COPD, CAD, HF
- Future moms
- 24/7 nurse line and comprehensive audio library

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Website and Wellness Services (cont'd)


On-line resources at www.anthem.com/ca/calpers

- WebMD
- My Anthem

Special offers discount programs


- Complimentary and alternative care: massage therapy, chiropractic, acupuncture
- Club memberships: Curves, Bally's Anytime Fitness
- Weight loss: Jenny Craig, Weight Watchers
- Smoking cessation program

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CalPERS Preferred Provider Organization (PPO)
Prescription Benefit – CVS Caremark


CalPERS


PPO Prescription Plan – CVS Caremark

Overview

- CVS Caremark highlights
- Changes for January 1st
- Plan and copay overview
- Filling prescriptions
- Customer Care
- Web and mobile resources

Effective January 1, 2012, CVS Caremark replaces Medco as your Pharmacy Benefit Manager

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CalPERS

PPO Prescription Plan – CVS Caremark

About CVS Caremark

- Largest pharmacy health care provider
- Network of more than 64,000 pharmacies
 - (20,000+ independent community pharmacies; 7,200+ CVS/pharmacy stores)
- No. 1 provider of prescriptions – more than 1 billion prescriptions filled or managed annually
- Largest employer of pharmacists and nurse practitioners

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CalPERS

PPO Prescription Plan – CVS Caremark

Changes Effective January 1, 2012

- CVS Caremark replaces Medco as the PBM for members of CalPERS self-funded PPO plan
- New ID card will be mailed December 2011 – a combination card for Anthem PPO medical and CVS Caremark pharmacy coverage.

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PPO Prescription Plan – CVS Caremark

Your 2012 Plan and Copays

	Retail (30-day supply)	Retail Maintenance (30-day supply)	Mail Service or CVS/pharmacy (90-day supply)
Generic	\$5	\$10	\$10
Preferred	\$20	\$40	\$40
Non Preferred	\$50	\$100	\$100

- A new copay will apply on the 3rd fill of a maintenance medication at the retail pharmacy
- This new copay will apply to each 30-day supply filled at retail for a maintenance medication
- To avoid the retail maintenance copay, use either the CVS Caremark Mail Service Pharmacy or a CVS/pharmacy store for maintenance medications
- Refer to your 2012 Explanation of Coverage for a complete listing of 2012 benefits and changes

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PPO Prescription Plan – CVS Caremark


Maintenance Choice® – New for 2012

	Retail Acute or Short- Term Rx (30-day supply)	Retail Maintenance (30-day supply)	Mail Service (90-day supply)	CVS/pharmacy (90-day supply)
Generic	\$5	\$10	\$10	\$10
Preferred	\$20	\$40	\$40	\$40
Non Preferred	\$50	\$100	\$100	\$100

- A maintenance copay will apply on the 3rd fill of a maintenance medication at the retail pharmacy
- To avoid the retail maintenance copay, use either the CVS Caremark Mail Service Pharmacy or a CVS/pharmacy for maintenance medications

Ordering in 90-day supplies saves you money on long-term medication!

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PPO Prescription Plan – CVS Caremark

How to Fill a Prescription

Use the **retail pharmacy** (up to a 30-day supply) for:


- Short-term prescriptions
- Immediate drug needs

You can use any CVS Caremark network pharmacy

Use **mail service or CVS pharmacy** (up to a 90-day supply) for:

- Long-term prescriptions
- Maintenance medications

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PPO Prescription Plan – CVS Caremark

CVS Caremark Mail Service

All medications with open refills at Medco mail order pharmacy will be transferred to CVS Caremark **except for:**

- Expired prescriptions
- Prescriptions with no open refills
- Compound medications
- Controlled substances

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PPO Prescription Plan – CVS Caremark

Mail Service through CVS Caremark (cont'd)

If exclusions apply:

- Obtain a new prescription from your doctor for up to a 90-day supply, and send to CVS Caremark Mail Service Pharmacy
- Contact our *FastStart* program at (800) 875-0867 and we will contact your doctor for you
- When calling, have your prescription and doctor information ready when calling

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PPO Prescription Plan – CVS Caremark

Prior Authorizations

- Prior authorizations from your doctor completed with Medco within the last 12 months will be transferred to CVS Caremark
- Medicines on prior authorization list must be re-authorized at regular intervals by your doctor
- For a list of medications that require prior authorization and/or quantity limits visit www.caremark.com/calpers or contact CVS Caremark Customer Care toll-free at (877) 542-0284 anytime after October 1, 2011

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PPO Prescription Plan – CVS Caremark


Specialty Medications

Medications previously filled through Accredo specialty pharmacy will now be filled through CVS Caremark specialty pharmacy

What are Specialty Pharmacy Services?

- Certain disorders require special pharmacy products, often in the form of injected medicine
- CVS Caremark provides special support for these participants including 24-hour access to pharmacy services, emergency pharmacist consultation, as well as ongoing support and counseling


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PPO Prescription Plan – CVS Caremark

Specialty Medications (cont'd)

- CVS Caremark will receive information on members taking medications through Accredo
- We will contact you in December 2011 to assist with transition
- If you are taking specialty medication dispensed through Accredo and do not receive information from CVS Caremark by December 15, 2011, please call Customer Care toll-free at (877) 542-0284.


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PPO Prescription Plan – CVS Caremark

Member Pays the Difference Program

- In June CalPERS Board approved a second pharmacy benefit modification for 2012, "Member Pays the Difference"
 - This means your copay for medications that have a generic option available will change
- Generics have a lower copay than brand-name drugs

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PPO Prescription Plan – CVS Caremark


Save Money with Generics

If you choose a brand-name drug over a generic option if one is available, you will pay the generic copay plus the cost difference between the generic and brand medications

Example:

- Generic medication cost = \$35
- Brand medication with a generic option available cost = \$200
- You get the generic filled for a 30-day supply = \$5 copay
- You get the brand filled for a 30-day supply = \$5 + \$165 cost difference
- $(\$200 - \$35) = \$170$ total out-of-pocket cost

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Member Pays the Difference Exception

- Request a Member Pays the Difference exception if there is a generic equivalent, but you must use brand medication due to medical necessity
- A well-documented and established medical reason for exception will be required from prescribing physician

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Member Pays the Difference Exception (cont'd)

- If the Member pays the Difference exception is approved, you will pay the applicable brand copay only
- *Member Pays the Difference* copays do not apply to out-of-pocket maximum

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PPO Prescription Plan – CVS Caremark

Best-in-Class Customer Care

Questions about prescription benefits:
Contact CVS Customer Care at (877) 542-0284
24 hours a day, 7 days a week


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PPO Prescription Plan – CVS Caremark

www.caremark.com/calpers

- One website for pre-enrollment and post-enrollment needs
- Use pre-enrollment features starting October 1, 2011
- Register for personalized features starting January 1, 2012




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PPO Prescription Plan – CVS Caremark

www.caremark.com/calpers
Register starting January 1, 2012

- Find local pharmacy
- Check drug cost
- Refill mail prescriptions
- View prescription history
- Website available in Spanish



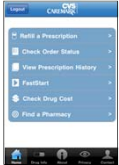
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CalPERS

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www.caremark.com/calpers
for iPhone and Other Mobile Devices

- Drug info database
- Login/register
- Refill prescriptions
- Check order status
- View prescription history
- FastStart®
- Check drug cost
- Find pharmacies



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